



Y-12 is revitalizing the work force and mentoring new grads. In recruiting new employees, Y-12 averages 77% acceptance for site visits and has a 92% job offer acceptance rate.

Y-12 Employees and Community

STEVE SMITH Division Manager, Human Resources

MEETING Y-12'S FUTURE

BWXT Y-12 is revitalizing the Y-12 work force.

The company is keenly aware of the need to fill the pipeline with new college graduates to help meet our critical skills needs. In college recruiting, Y-12 averages 77% acceptance in invitations for site visits and has a 92% offer-acceptance rate. Our Student Programs experience similar success, with 89% of co-ops and summer interns accepting full-time permanent positions.

During the first quarter of FY 2004, we hired—in six disciplines from four universities—11 new graduates with bachelor's degrees and two with master's degrees.

**Total College Graduates
Hired Since November 2000**

**164
Total**

**61 Females
and
Minorities**

MENTORING THE Y-12 WAY

Forty-one new college graduates successfully completed the Y-12 Mentoring Program. This program pairs these new employees with experienced professionals to assist them in acclimating to Y-12.

The site provides everything from an informative historical narrative on Y-12 and Oak Ridge to an evening of networking at the American Museum of Science and Energy. Other activities include a site bus tour; a peek at Y-12's Law Enforcement Innovation Center at the University of Tennessee, Knoxville; a session on facilitating and conducting effective meetings; and a class on management. This six-month program continues to be popular and quite beneficial.

The Training and Recruitment Enhance Effectiveness program also supports our new college hiring efforts and our low (5%) employee turnover rate. The national turnover average is 10 to 15%.

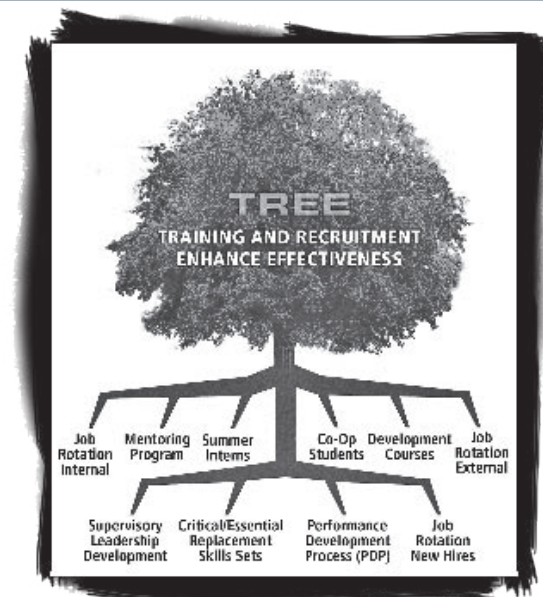
PARTNERING ON CARVER PROJECT

To encourage more students, especially minorities, to enter the field of science, BWXT Y-12 was one of the sponsors of the George

Washington Carver Project, which honors Carver's scientific and social contributions.

Students from Austin-East Performing Arts and Sciences Magnet High School, Beaumont Honors Magnet Academy and the Episcopal School of Knoxville worked with Knoxville television personality Bill Landry to create an interdisciplinary program, including a video. The video is being given to about 1600 Tennessee schools.

Carver dedicated his work to improving life for Americans, and his scientific applications helped feed hungry populations worldwide.



The TREE program has made a significant difference in our hiring and retention rates.

IMPROVING EMPLOYEE COMMUNICATIONS

Y-12 debuted No More Surprises, an electronic communication forum between employees and management, in August 2003. No More Surprises is "one-stop shopping" for employee concerns and feedback.

The forum fosters an environment in which employees can voice their concerns without fear of reprisal. As evidenced by the system's widespread use—more than 2361 submittals to date—employees are sharing what's on their minds.

Features of the system include a unique tracking number assigned to each question submitted, increased accountability for managers and a real-time tracking system that lets employees know exactly what's happening with their questions.



To date 84% of NMS submissions are answered within 30 days.
NMS inception—August 11, 2003
Submissions to date—2361

Y-12 MENTORS MS TECHNOLOGY, INC.

Y-12 is engaged in developing the economic base of the community in ways that will lessen its dependence on the federal budget. In the first quarter of FY 2004, Y-12 signed a

mentor-protégé agreement with MS Technology, Inc. This agreement allows the two organizations to work together for their mutual benefit.

President and General Manager Dennis Ruddy said he believes the arrangement will help Y-12 meet some of the technological and work force challenges it will face in the future. Harbans Singla, president of MS Technology, said the agreement will enhance the company's growth and enable it to become more competitive in the marketplace.

Seventh-grade students of Jefferson Middle School interact via Web-cam with the JASON Project's expedition in the rainforests of Panama.



STUDENTS EXPLORE PANAMA RAINFOREST

Some seventh-graders briefly tagged along on a JASON Project trek through Panama's rainforests without donning a pith helmet or leaving their classroom.

Via the wonders of Web-cam, Jefferson Middle School students and teachers in Oak Ridge interviewed Robert Ballard in Panama. Ballard, who discovered the *RMS Titanic* in 1986, founded the JASON Project in 1989.

The JASON Project is a multidisciplinary education program that sparks the imagination of students and enhances the classroom experience.

INFLUENCE

—Steve Smith

"The statement 'That service is the noblest which is rendered for its own sake' by Mohandas Karamchand Gandhi epitomizes my approach to human resources."





Y-12 employees are sprucing up the Smokies, bringing smiles to children's faces, and donating millions of dollars to the community.

Y-12 Employees and Community

JIM BARNES Division Manager, Equal Opportunities/Concerns

COMPANY ESTABLISHES UNIVERSITY SCHOLARSHIP

In support of education and its own hiring needs, BWXT Y-12 has created a permanent endowment scholarship for the College of Engineering at The University of Tennessee, Knoxville.

In establishing the scholarship program, "the company hopes to attract and retain engineering graduates" to help Y-12 continue to fulfill its national security missions, said Dennis Ruddy, president and general manager.

VOLUNTEERS BUILD CAMPSITES FOR GREAT SMOKIES PARK

Visitors to the Great Smoky Mountains National Park have more opportunities to relax and restore, thanks to the efforts of 28 toolbox-toting Y-12 employees. In just one day, the volunteers constructed two handicap-accessible campsites in the park's popular Cades Cove campground.

"We are very happy over the commitment that Y-12 has made to the park," said Acting Park Superintendent Phil Francis. "And it is beyond words to truly express our appreciation for their



The Y-12 team has contributed more than 8000 volunteer hours in its eight-year partnership with the Great Smoky Mountains National Park.

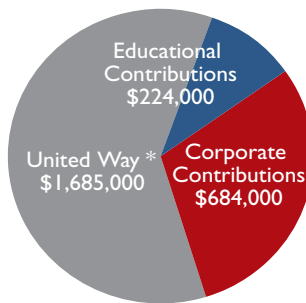
continuing interest in working with us over the years on a number of projects."

Y-12 ELVES BRING HOLIDAY SMILES

Last December some BWXT Y-12 employees adopted 100 children, ranging in age from 12 to 17, and the bikes-to-basketballs search began. As participants in the multi-organizational Angel Tree project, the kids provided their wish lists, and the company's volunteer elves did the rest.

For another holiday project, Y-12's own Santa, Doug Mullins, delivered presents for the Mission of Hope organi-

zation that helped to brighten the holidays for children at 21 schools in rural Appalachia. Y-12 employees contributed money, toys, clothes and nonperishable food.



*Employee and retiree contributions

Employees and the corporate parents of BWXT Y-12 have contributed \$2.6 million to the community between 2001 and 2003.

I NFLUENCE

—Jim Barnes

"I profoundly believe in Martin Luther King's sentiment that 'every man is an heir of the legacy of dignity and worth.'"

